

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN)	CASE NO. 8839-G
KENTUCKY GAS COMPANY)	

O R D E R

On December 1, 1983, the Commission issued its Order in Case No. 8839 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On August 7, 1984, Western Kentucky Gas Company ("Western") notified the Commission that it had received retroactive rate changes from its suppliers, Texas Gas Transmission Corporation ("Texas Gas"), and Tennessee Gas Pipeline Company ("Tennessee Gas"), and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) On June 27, 1984, Texas Gas filed an application with the Federal Energy Regulatory Commission ("FERC") for revised rates to become effective August 1, 1984. On July 10, 1984, in Case No. 8839-F, Western requested permission to track Texas Gas' rates. By Order issued July 20, 1984, the Commission approved

Western's filing effective August 1, 1984. Subsequent to Western placing these rates into effect, Texas Gas filed on August 2, 1984, decreased rates to be effective August 1, 1984.

(2) Western's wholesale cost of gas from local producers which tracks Texas Gas' rate will be decreased retroactive to August 1, 1984.

(3) On July 17, 1984, Tennessee Gas filed revised tariffs for increased rates to become effective retroactive to July 1, 1984, in accordance with the FERC's Order of June 29, 1984.

(4) Western's notice of August 7, 1984, set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on the overall decrease in gas cost from its suppliers in the amount of \$1,236,414 or 3.08 cents per Mcf.

(5) Inasmuch as the filing of revised tariffs by Texas Gas and Tennessee Gas was too late for Western to make timely filings, Western has proposed to implement reduced rates effective September 1, 1984, and refund any excess revenues collected during the period from July 1, 1984, to September 1, 1984, to its customers.

(6) Western's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8839, dated December 1, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1984.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1984.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall report to the Commission any excess revenues collected during the period from July 1, 1984, to September 1, 1984, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 30th day of August, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Homan
Chairman

Ruth L. Smith
Vice Chairman

John Shuck
Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8839-G DATED 8/30/84

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES:

Applicable to: All Gas Rates Schedules

Purchased Gas Adjustment

To each bill rendered under the above named rate schedules there shall be added an amount equal to: (\$0.0117) per Mcf of gas used during the billing period.

The base rates for the future application of the purchased gas adjustment clause of Western Kentucky Gas Company shall be:

<u>Texas Gas Transmission Corp.</u>	<u>Demand</u>	<u>Commodity</u>	<u>Gas Rate</u>
G-2	\$5.11	\$3.2490	-0-
G-3	5.93	3.2949	-0-
G-4	6.47	3.3308	-0-
<u>Tennessee Gas Pipeline Co.</u>			
GS-2	-0-	.6656/Mcf	3.1307/Mcf
Local Producers	-0-	-0-	3.4899/Mcf